

from the desk of
the Director



Luz Araoz Hopewell,
Director of the Office
of Small and Disad-
vantaged Business
Utilization

**DBE PROGRAMS OF THE FHWA, FTA,
AND FAA WILL NOT BE AFFECTED BY
RECENT CHANGES IN CALIFORNIA LAW
AND A RECENT EXECUTIVE ORDER
IN LOUISIANA**

The California Civil Rights Initiative (CCRI) (also known as Proposition 209) and the Louisiana Executive Order MJF-1, are two initiatives designed to end State Affirmative Action Programs in California and Louisiana, respectively. They do this by prohibiting any preferential treatment by any State Agency, including that which may affect public contracting. Neither will affect the U.S. Department of Transportation's Disadvantaged Business Enterprise (DBE) programs in either State. In fact, both initiatives apply only to state-funded Affirmative Action efforts in the States, and not to any DBE program for Federally assisted contracting or airport concessions.

The Federal DBE programs for surface transportation and aviation are mandated by federal law. Thus, if either State applies their initiative to Federal transportation projects, this could result in a loss of federal funds to the State. Both initiatives seek to avoid this result.

Happy holidays to all!

First Transportation Procurement Exchange a "Resounding Success"

*Contract Procurement, Status of 8(a) Programs, Short-Term Lending and Bonding Assistance, and Electronic Bid-Matching
Among Topics Covered at Workshop*

On November 21, the OSDBU Liaison Outreach and Services Program (LOSP) held a Transportation Procurement and Business Exchange for businesses in the 19 states included in LOSP Regions I, II, III, and IV in Washington, DC. The event marked the first time that two or more of the LOSP Regions had teamed together in a joint effort. 357 representatives of contracting companies ranging from glass and hardware manufacturing to information and data systems management were in attendance.

Representatives of the Operating Administrations within the U.S. Department of Transportation were on hand to interact one-on-one with the conference attendees. These included representatives from the Federal Aviation Administration, Federal Highway Administration, U.S. Coast Guard, U.S. Maritime Administration, Federal Railroad Ad-

ministration, Research and Special Program Administration's Volpe Transportation System Center, and National Highway Traffic Safety Administration. In addition, representatives of the Mary-

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LOSP Regions III & IV Director Enrique Carillo and Regions I & II director Bruce Young-Candelaria organized the Procurement Exchange. The event marked the first time two such regions had teamed together.

Peña Announces Decision not to Serve Second Term

United States Transportation Secretary Federico Peña met with President Clinton November 12 and said he has chosen not to serve another term as a member of President Clinton's Cabinet, and will leave his post effective January 20, 1997.

"I look forward to having a formal occasion to thank Secretary Peña on

behalf of the American people for his excellent service to our country," President Clinton said. "The American people should be gratified for his work."

Secretary Peña released the following statement:

"This afternoon I met with President Clinton and told him that with a deep

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Peña Steps Down *Continued from page 1*

sense of pride in our accomplishments these past four years I have chosen not to serve another term as Secretary of Transportation. I told the President I will remain on the job until January 20th to ensure a smooth transition.

With the President's leadership, safety remains our highest transportation priority. We are building the transportation system America deserves for the 21st century. We are investing more in our infrastructure than at any time in history. We are making it easier for Americans to travel around the world. We are linking communities with trans-

portation systems so more Americans can reach their jobs. And the President has produced an economy where our transportation industry has thrived, creating 500,000 new transportation services jobs in four years.

Critical to all of this success has been the emphasis President Clinton has given to the Transportation Department, always understanding that transportation is the link to strengthening our economy and improving the quality of life for Americans. Also critical has been the excellent work of the men and women of the Transportation Department, who

serve the American people every day.

I thanked the President for his confidence in me four years ago in asking me to join his activist Cabinet. And I thanked him for his interest in having me serve in the Cabinet for a second term. But four years ago when I came to office, I had decided to serve only one term. After 16 years of public service, it's time for me to find new challenges in the private sector. However, as a private citizen, I will do all I can to advance President Clinton's agenda for the 21st century. I have been proud to serve my President and my country."

Success Story: Domenech, Hicks, & Krockmalnic Makes Transportation Beautiful in Boston

Minority-Owned Architectural Firm Enjoys Excellent Reputation in Field of Transportation

In 1978, Puerto Rican-born Fernando Domenech was a young Hispanic architect with a Harvard degree working for an architectural firm based in New York City. That year, the firm became aware of opportunities for minority contractors in the Boston area in the transportation field. The firm decided to establish an office in Boston. It relocated Mr. Domenech as the sole employee of the newly-established Boston office. As the small office completed Minority Business Enterprise (MBE) transportation contracts, it gained a reputation for doing good work. So when Mr. Domenech brought a partner into the firm in 1980 and expanded its employment to a stable staff of 5-12 people, the office had already gained the initial push it needed to get going.

Now, 18 years later, the firm of Domenech, Hicks, & Krockmalnic (DHK) stands as an independent firm and enjoys a fine reputation for transportation-related architectural design. This reputation extends beyond Boston, to places like Asbury Park, NJ, where the firm designed the \$2 million James J. Howard Transportation Center, and to San Juan, Puerto Rico, where the firm is providing general management consulting for the \$1 billion Tren Urbano commuter rail system to be completed in 2001.



The Roxbury Crossing Station in Boston, MA is one of several commuter rail projects DHK has completed for the Massachusetts Bay Transportation Authority (MBTA).

Outside his career in architecture, Mr. Domenech has actively participated in a wide range of Hispanic and minority community service projects in and around Boston. To name a few, Mr. Domenech has served on the Board of Trustees of Catholic Charities of Boston since 1989, and is currently President of the Board of Advisors of the Cardinal Cushing Center for the Spanish Speaking. He is also president of the non-profit Latino Development Enterprises Consortium.

A large portion of the projects on which DHK has worked have been in or around Boston and funded by the Massachusetts Bay Transportation Authori-

ty (MBTA), which receives funding from the U.S. Department of Transportation. DHK designed the \$5 million Roxbury Crossing Station for MBTA, a rapid transit subway station completed in Boston in 1985. Other contracts with MBTA include the \$25 million Quincy Adams State Parking Garage Addition (1996), the \$28 million Andrew Station Modernization (1994), as well as several other renovation, expansion, and improvement projects for commuter rail stations in and around Boston.

Other clients of DHK have included the Massachusetts Department of Public Works and Massport (airport authority). Outside Massachusetts, DHK has completed work for New Jersey Transit, the Long Island (New York) Railroad, and the City of Nashua, NH.

Currently, DHK provides programming, existing facility assessment, master planning, urban design, building design, space planning, interior design, project management, and construction administration to its clients. The firm has grown to employ a combined staff of between 35 and 42 employees, with a permanent staff of 2 located in San Juan. Gross billings for the current fiscal year will exceed \$3.5 million.

Procurement Exchange Continued from page 1

land, Virginia, and Delaware State Departments of Transportation were present to exchange information with the guests.

Co-organizer and LOSP Regions III & IV Director Enrique Carrillo called the event a "resounding success. In a town where people are workshopped-out and tired of coming to events where they hear speeches and never see the attendees again, people were very interested in bid-matching and meeting people."

Bruce Young-Candelaria, LOSP Regions I & II Director and the other co-organizer, said the event drew more than twice the number of attendees expected. He added that the Maryland State DOT representative had been contacted by over 20 firms regarding contract procurements after the event.

The conference opened with brief remarks by OSDBU Director Luz Hopewell, U.S. Small Business Administration (SBA) Associate Administrator for Minority Enterprise Development Calvin Jenkins, and Federal Highway Administration (FHWA) Office of Civil Rights Director Edward W. Morris, Jr.

STATUS OF 8(A) PROGRAMS, AFFIRMATIVE ACTION

Mr. Jenkins stressed that 8(a) programs are alive and well despite government-wide streamlining. He encouraged contracting officers to work with the SBA. Mr. Jenkins also made it clear that any myths that 8(a) programs were no longer functional should be dispelled: "Senior Agency officials have been going to 12 sites around the country giving Federal Acquisition Briefings to tell contracting officers that the 8(a) program is still in effect. Despite the *Adarand* court decision, the 8(a) program is still being used and still has support from the President."

Mr. Morris shared strong views regarding the current state of minority set-aside and Affirmative Action programs: "Just because a goal has been reported as having been met or exceeded is not evidence of a successful program.

That might not raise the matter to the levels needed to make a difference."

Further, Mr. Morris added that "while there are no guarantees, the Federal role can be more clearly articulated...and made more realistic.

"It is interesting to note the Supreme Court's logic in considering the effects of Affirmative Action programs [in its *Adarand* court decision]. One of the factors they considered was the extent to which non-minorities' expectations were being affected by the results of applications of affirmative action. That the expectations of minorities, women, and the disabled have been historically trampled is trivialized and considered of little or no consequence."

Mr. Morris encouraged DBE's to



Federal Highway Administration Director Rodney Slater made a surprise appearance at the conference.

persevere: "The money exists if you have a quality product to sell. Think like Holyfield did—you might get tagged, but keep on hitting."

ELECTRONIC BID-MATCHING

Electronic bid-matching for government contracts was the subject of the presentation by Ken Kohler of Comtech Management Systems. With Electronic Data Interchange (EDI), the computerized system of bid-matching for Federal contracts, participants can "see notices from Commerce Business Daily, which includes all DOT and other federal bids of \$25,000 or more." The advantage of EDI, Kohler explained, is that participating companies can choose the cate-

gories of bids they wish to be notified of. For example, a company might choose to be notified of bids for Vehicular Furniture, Engine Electrical Systems, or Hazardous Substance Removal. Further, the notices may be narrowed by keyword, such as "transmission," "insulation," "door panel," etc. Bid reports are delivered to the participating companies by fax every night, or by Internet email. This helps prospective contractors avoid looking through thousands of opportunities. Rather, it saves time by keyword-profiling the company's exact product and delivering only those notices which meet the company's specific criteria.

SHORT-TERM LENDING AND BONDING ASSISTANCE

Emily Solomon addressed the conference on behalf of OSDBU's Short-Term Lending (STLP) and Bonding Assistance Programs. Solomon emphasized that "lines of credit [through the STLP] for the past fiscal year have totaled \$9.7 million, with 52 total lines of credit extended. DOT's funding authority currently provides total lending capacity of \$20 million. The STLP establishes lines of credit to finance accounts receivables arising from transportation-related contracts, thus providing the company with the ability to borrow most of the money due on its transportation accounts receivables. This provides the company with funds to continue work on its contracts without having to wait for collection of its receivables, enabling it to compete for, and perform, larger contracts. Accounts receivables financing for small companies, which may also be undercapitalized, recently established, and with uneven operating histories, is not readily available in the commercial marketplace at reasonable interest rates. By providing availability of such funds, this program enhances DBE competitiveness."

Further, Solomon added that the "Bonding Assistance Program provides bid, performance, and payment bonds

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for transportation-related projects. The ability to furnish bonds enables DBE's to compete for a wider variety of contracts, such as prime contracts, which require bonds. As with short-term lending DBE's frequently lack the size and financial stability to obtain bonding in the commercial marketplace and for reasonable fees. This program provides such availability, thus enhancing DBE competitiveness."

A significant portion of the conference was allotted for each of the individual representatives of the businesses in attendance to introduce themselves to the group. This was designed as a forum for contractors to meet each other and exchange information. Said Mr. Carrillo: "People were very quiet as the microphone was being passed around—they were very interested in listening to the other people in the room."

The Conference received a surprise guest speaker just before lunch—FHWA Director Rodney Slater. Mr. Slater asserted the importance of the transportation industry as a key element in maintaining our standard of living, as well as the importance of the role of DBE's in the industry. Remarked Mr. Carrillo: "When people as high up as Rodney Slater and Calvin Jenkins come out, it shows trust and sends a positive message that other agencies are supporting and working with OSDBU programs."

CALENDAR OF EVENTS OF INTEREST TO M/WBES JANUARY AND FEBRUARY 1996

Date	Event	Location	Contact
January 6-10, 1997	Superfund Hazardous Waste Management Training National Association of Minority Contractors	San Diego, California	Michael Shannon (202) 347-8259
January 8	Seminar for Start-Up M/WBES Brookhaven National Laboratory, U.S. Department of Energy and Frank M. Corso and Associates, Inc.	Westbury, NY	Ms. Donna Wroblewski (516) 232-6426
January 21-22	Financial Analysis I Women's Business Development Center	Chicago, IL	Sara Shifrin (312) 853-3477
January 22, 30	Preparing Your Loan Request Women's Business Development Center	Chicago, IL	Linda Darath (312) 853-3477
February 11-12	MBOD '97 Sponsored by the Southern California Regional Purchasing Councils, Inc. Los Angeles Convention Center	Los Angeles, CA	(213) 380-7114
February 11-15	NAHLS National Conference Sponsored by the National Association of Hispanic and Latino Studies	Houston, Texas	Dr. Lemuel Berry, Jr., Exec. Director (606) 783-2650
February 13-16	1997 Mid Winter Conference Sponsored by the National Association of Minority Contractors	Hilton Head Island, SC	Ellie Anderson (202) 347-8259
February 15-16	Asian American Inventors & Entrepreneurs Conference Presented by CATE Development	Palo Alto, CA	(408) 297-3587
February 24-28, 1997	Lead Based Paint Abatement Training Sponsored by the National Association of Minority Contractors	San Diego, CA	Al Barrett (202) 347-8259
February 25	8th Annual Mini-Expo '96 Sponsored by the Golden Triangle Minority Business Council	Beaumont, TX	Beverly Hatcher (409) 835-0151

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<http://www.dotinfo/ost/osdbu/translink/translink.html>

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